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## INTERNATIONAL ENTERTAINMENT CORPORATION

### 國際娛樂有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01009)**

### INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

The board of directors (the “**Board**”) of International Entertainment Corporation (the “**Company**”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 31 December 2024 (the “**Period**”), together with the comparative unaudited figures for the six months ended 31 December 2023 (the “**Previous Period**”) as follows:

#### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME *For the six months ended 31 December 2024*

		<b>Six months ended 31 December 2024</b>	Six months ended 31 December 2023
	<i>Notes</i>	<b>HK\$’000</b>	<b>HK\$’000</b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue</b>	4(b)	<b>267,622</b>	105,134
Gaming tax and licensing fee		<b>(81,934)</b>	–
Cost of sales		<b>(94,742)</b>	(38,133)
<b>Gross profit</b>		<b>90,946</b>	67,001
Other income	5	<b>11,356</b>	6,697
Other gains/(losses)		<b>6,672</b>	(12,020)
Change in fair value of financial assets at fair value through profit or loss	13	<b>17</b>	(225)
Change in fair value of financial liabilities at fair value through profit or loss		–	3,130
Change in fair value of investment properties		–	7,138
Share of loss of associates		<b>(944)</b>	(825)
Selling and marketing expenses		<b>(179)</b>	–
General and administrative expenses		<b>(150,567)</b>	(80,449)
Finance costs		<b>(45,672)</b>	(27,252)

	<i>Notes</i>	<b>Six months ended 31 December 2024 <i>HK\$'000</i> (Unaudited)</b>	Six months ended 31 December 2023 <i>HK\$'000</i> (Unaudited)
<b>Loss before taxation</b>	6	<b>(88,371)</b>	(36,805)
Income tax (expenses)/credit	7	<b>(6,653)</b>	674
Loss for the period attributable to owners of the Company		<b>(95,024)</b>	(36,131)
Other comprehensive income/(loss) that will not be reclassified to profit or loss:			
— Remeasurement of defined benefit obligations		—	433
— Exchange differences arising on translation of presentation currency		<b>274</b>	(6,539)
<b>Total comprehensive loss for the period</b>		<b>(94,750)</b>	(42,237)
		<i>HK Cents</i>	<i>HK Cents</i>
Loss per share attributable to owners of the Company			
— Basic	8	<b>(6.94)</b>	(2.64)
— Diluted	8	<b>(6.94)</b>	(2.64)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*As at 31 December 2024*

		31 December 2024	30 June 2024
	<i>Notes</i>	<i>HK\$'000</i> <b>(Unaudited)</b>	<i>HK\$'000</i> <b>(Audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	1,097,432	1,069,582
Intangible assets		5,098	6,897
Interest in associates		35,243	36,187
Right-of-use assets		35,633	22,139
Loan receivables		57,610	57,602
Other receivables, deposits and prepayments		108,425	104,092
Restricted bank balances		417,136	411,027
		<b>1,756,577</b>	<b>1,707,526</b>
<b>Current assets</b>			
Inventories		4,166	4,716
Trade receivables	11	34,074	1,398
Other receivables, deposits and prepayments		28,361	35,209
Contract assets		–	291
Tax recoverable	12	57,074	57,067
Financial assets at fair value through profit or loss	13	4,346	4,481
Amounts due from associates		27,196	4,284
Fixed bank deposit		17,099	91,855
Bank balances and cash		682,686	417,471
		<b>855,002</b>	<b>616,772</b>
<b>Total assets</b>		<b>2,611,579</b>	<b>2,324,298</b>
<b>Current liabilities</b>			
Trade payables	14	4,026	4,133
Other payables and accrued charges		114,675	95,464
Promissory notes	15	448,130	441,291
Contract liabilities		–	690
Lease liabilities		2,786	2,894
Bank borrowings	16	392,387	–
Convertible bond		–	56,149
Tax payables		7,018	–
		<b>969,022</b>	<b>600,621</b>
<b>Net current (liabilities)/assets</b>		<b>(114,020)</b>	<b>16,151</b>

		<b>31 December</b>	30 June
		<b>2024</b>	2024
	<i>Notes</i>	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
		<b>(Unaudited)</b>	(Audited)
Non-current liabilities			
Deferred tax liabilities		<b>98,888</b>	99,577
Other liabilities		<b>800</b>	1,082
Lease liabilities		<b>42,393</b>	27,869
Bank borrowings	<i>16</i>	<b>578,437</b>	578,360
		<u><b>720,518</b></u>	<u>706,888</u>
<b>NET ASSETS</b>		<u><b>922,039</b></u>	<u>1,016,789</u>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Share capital		<b>13,692</b>	13,692
Share premium and reserves		<b>908,347</b>	1,003,097
<b>TOTAL EQUITY</b>		<u><b>922,039</b></u>	<u>1,016,789</u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

*For the six months ended 31 December 2024*

## 1. GENERAL

International Entertainment Corporation was incorporated in the Cayman Islands with limited liability and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, and the head office and principal place of business in Hong Kong of the Company is located at Suites 1802–1803, 18/F., Three Exchange Square, 8 Connaught Place, Central, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (together the “**Group**”) were principally involved in hotel operations (the “**Hotel Operation Business**”), operating the gaming business under provision licence and leasing of gaming venues at the hotel complex of the Group in Metro Manila in the Republic of the Philippines (the “**Philippines**”) to a tenant for authorized gaming operation (the “**Gaming Operation Business**”) and live poker events (the “**Live Events Business**”) in Macau.

## 2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (“**HKAS 34**”), issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”). These condensed consolidated interim financial statements were authorised for issue on 27 February 2025.

These condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2024 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 July 2024. Details of newly effective accounting policies are set out in Note 3. The adoption of the new and amended Hong Kong Financial Reporting Standards (“**HKFRSs**”) have no material effect on these condensed consolidated interim financial statements. The Group has not early adopted any new and amended HKFRSs that has been issued but not yet effective in the current accounting period.

The preparation of the condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The functional currency of the Company is Philippine Peso (“**Php**”), the currency of the primary economic environment in which the Company’s major subsidiaries operate. The condensed consolidated interim financial statements are presented in Hong Kong Dollars (“**HK\$**”), unless otherwise stated, as the directors of the Company (the “**Directors**”) consider that it is an appropriate presentation of a company listed in Hong Kong and for convenience of the shareholders of the Company (the “**Shareholders**”). The condensed consolidated interim financial statements contain condensed consolidated statement of financial position, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in

financial position and performance of the Group since the 2024 annual consolidated financial statements. The condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with HKFRSs and should be read in conjunction with the 2024 annual consolidated financial statements.

These condensed consolidated interim financial statements are unaudited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”), which comprises three independent non-executive Directors of the Company.

### **3. ACCOUNTING POLICIES**

Except as described below, the accounting policies applied are consistent with those of preparation of the Group’s condensed consolidated annual financial statements for the year ended 30 June 2024, as described therein.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new and amended HKFRSs have been adopted by the Group for the financial year beginning on or after 1 July 2024:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the new and amendments to HKFRSs in the current period had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated interim financial statements.

### **4. SEGMENT INFORMATION**

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions. The chief operating decision-maker has been identified as the executive Directors.

An operating segment is a component of the Group that is engaged in business activities from which the Group may earn revenue and incur expenses, and is identified on the basis of the internal management reporting information that is provided to and regularly reviewed by the executive Directors in order to allocate resources and assess performance of the segment.

The executive Directors have determined that the Group has the following reportable segments:

- the “Hotel Operation” segment represents the operation of hotel business in the Philippines;
- the “Gaming Operation” segment represents operating the gaming business under provisional license (the “**Provisional License**”) and leasing of gaming venues at the hotel complex of the Group in the Philippines to a tenant for authorised gaming operation (2023: leasing of properties equipped with entertainment equipment at the hotel complex of the Group in the Philippines to the Philippine Amusement and Gaming Corporation (“**PAGCOR**”) up to takeover of gaming business by the Group);
- the “Live Events” segment represents the operation of live poker events business.

Inter-segment transactions are priced with reference to prices charged to external parties for similar order. Central revenue and expenses are not allocated to the operating segments as they are not included in the measure of the segments’ profit that is used by the chief operating decision-maker for assessment of segment performance.

**(a) Business segments**

Segment information about these reportable segments are presented below:

**For the six months ended 31 December 2024 (Unaudited)**

	<b>Hotel Operation</b>	<b>Gaming Operation</b>	<b>Live Events</b>	<b>Consolidated</b>
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
Revenue — external	<u>27,625</u>	<u>239,997</u>	<u>–</u>	<u>267,622</u>
Segment results	<u>(13,019)</u>	<u>(48,961)</u>	<u>(125)</u>	<u>(62,105)</u>
Change in fair value of financial assets at fair value through profit or loss (“ <b>FVTPL</b> ”)				17
Gain on redemption of convertible bond on maturity				3,208
Unallocated other income				1,141
Net exchange gains				5,154
Share of loss of associates				(944)
Auditor’s remuneration				(1,800)
Unallocated legal and professional fees				(2,646)
Unallocated salaries and allowances				(9,685)
Unallocated finance costs				(13,616)
Unallocated other expenses				<u>(7,095)</u>
Loss before taxation for the period				<u>(88,371)</u>

Segment information about these reportable segments are presented below:

**For the six months ended 31 December 2023 (Unaudited)**

	Hotel Operation <i>HK\$'000</i>	Gaming Operation <i>HK\$'000</i>	Live Events <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Revenue — external	<u>34,111</u>	<u>71,023</u>	<u>–</u>	<u>105,134</u>
Segment results	<u>(5,195)</u>	<u>(7,442)</u>	<u>(304)</u>	(12,941)
Change in fair value of financial assets at FVTPL				(225)
Change in fair value of financial liabilities at FVTPL				3,130
Unallocated other income				5,043
Net exchange losses				(3,317)
Share of loss of associates				(825)
Auditor's remuneration				(1,042)
Unallocated legal and professional fees				(3,597)
Unallocated salaries and allowances				(6,385)
Unallocated finance costs				(14,920)
Unallocated other expenses				<u>(1,726)</u>
Loss before taxation for the period				<u>(36,805)</u>



(b) **Disaggregation of revenue**

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

**For the six months ended 31 December 2024 (Unaudited)**

	<b>Hotel Operation HK\$'000</b>	<b>Gaming Operation HK\$'000</b>	<b>Consolidated HK\$'000</b>
<b>Primary geographical markets</b>			
The Philippines	<u>27,625</u>	<u>239,997</u>	<u>267,622</u>
<b>Timing of revenue recognition</b>			
<i>Transferred over time</i>			
Room revenue	<u>19,275</u>	–	<u>19,275</u>
	<u>19,275</u>	–	<u>19,275</u>
<i>Transferred at a point in time</i>			
Food and beverages	7,354	–	7,354
Other hotel service income	996	–	996
Casino operation	–	208,899	208,899
	<u>8,350</u>	<u>208,899</u>	<u>217,249</u>
<b>Other source of income</b>			
Leasing of gaming venues	–	31,098	31,098
	<u>27,625</u>	<u>239,997</u>	<u>267,622</u>

**For the six months ended 31 December 2023 (Unaudited)**

	Hotel Operation <i>HK\$'000</i>	Gaming Operation <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
<b>Primary geographical markets</b>			
The Philippines	<u>34,111</u>	<u>71,023</u>	<u>105,134</u>
<b>Timing of revenue recognition</b>			
<i>Transferred over time</i>			
Room revenue	<u>23,592</u>	<u>–</u>	<u>23,592</u>
	<u>23,592</u>	<u>–</u>	<u>23,592</u>
<i>Transferred at a point in time</i>			
Food and beverages	<u>9,731</u>	<u>–</u>	<u>9,731</u>
Other hotel service income	<u>788</u>	<u>–</u>	<u>788</u>
	<u>10,519</u>	<u>–</u>	<u>10,519</u>
<b>Other source of income</b>			
Leasing of investment properties equipped with entertainment equipment for gaming operation	<u>–</u>	<u>71,023</u>	<u>71,023</u>
	<u>34,111</u>	<u>71,023</u>	<u>105,134</u>

**5. OTHER INCOME**

	<b>For the six months ended 31 December 2024 <i>HK\$'000</i> (Unaudited)</b>	For the six months ended 31 December 2023 <i>HK\$'000</i> (Unaudited)
Interest income	<u>8,003</u>	6,051
Sundry income	<u>3,353</u>	646
	<u>11,356</u>	<u>6,697</u>

## 6. LOSS BEFORE TAXATION

	<b>For the six months ended 31 December 2024 HK\$'000 (Unaudited)</b>	For the six months ended 31 December 2023 HK\$'000 (Unaudited)
Loss before taxation has been arrived at after charging/(crediting):		
Directors' emoluments	1,465	1,464
Staff costs (excluding directors' emoluments):		
Salaries and allowances	72,760	31,123
Retirement benefits scheme contributions	2,617	371
	<u>76,842</u>	<u>32,958</u>
Total staff costs	76,842	32,958
Depreciation of property, plant and equipment		
— included in cost of sales	44,442	29,137
— included in general and administrative expenses	21	7
Depreciation of right-of-use assets (included in general and administrative expenses)	3,516	1,669
	<u>47,979</u>	<u>30,813</u>
Total depreciation	47,979	30,813
Change in fair value of financial assets at FVTPL	(17)	225
Change in fair value of financial liabilities at FVTPL	—	(3,130)
Change in fair value of investment properties	—	(7,138)
Auditor's remuneration		
— Audit services	1,550	865
— Non-audit service	250	250
Cost of inventories recognised as an expense	8,824	3,731
Legal and professional fees	4,985	10,991
	<u>4,985</u>	<u>10,991</u>

## 7. INCOME TAX EXPENSES/(CREDIT)

The amount of tax recognised in the condensed consolidated statement of comprehensive income represents:

	<b>For the six months ended 31 December 2024 HK\$'000 (Unaudited)</b>	For the six months ended 31 December 2023 HK\$'000 (Unaudited)
Current tax expenses	7,320	–
Deferred tax credit	<u>(667)</u>	<u>(674)</u>
Income tax expenses/(credit)	<u><b>6,653</b></u>	<u>(674)</u>

Hong Kong profits tax for the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and 16.5% on the estimated assessable profits above HK\$2 million for both periods. Hong Kong profits tax for other group entities is calculated at 16.5% on the estimated profits. No provision for taxation in Hong Kong was made in the financial statements for both periods as the Group's operations in Hong Kong had no assessable profits.

The Group's subsidiaries in the Philippines are subject to the Philippines profits tax rate of 25%. The withholding tax rate in respect of a dividend distributed by a subsidiary of the Company operating in the Philippines to its overseas immediate holding company is 15%.

The Group's subsidiary in Macau is subject to Macau profits tax rate of 12%. No provision for taxation in Macau was made in the financial statements for both periods as the Group's operations in Macau had no assessable profits.

As at 31 December 2024, there are taxes dispute cases between Marina Square Properties, Inc. ("MSPI"), an indirect wholly-owned subsidiary of the Company in the Philippines and Bureau of Internal Revenue ("BIR") for the calendar years of 2008, 2012, 2014, 2015, 2018 and 2019 in aggregate of around Php5,009,650,000 (30 June 2024: Php5,009,650,000).

For the alleged deficiency taxes covering the calendar year of 2008, 2012, 2014, 2015, it is pending for final decisions from BIR or Court of Tax Appeal ("CTA"). On 13 December 2024, the CTA issued its decision (the "2015 Decision") in respect of MSPI's Petition for Review of the Philippines Commissioner of Internal Revenue's ("CIR") assessment against MSPI for the alleged deficiency taxes and penalty covering the calendar year 2015. In the 2015 Decision, among others, CTA (i) granted MSPI's Petition for Review; (ii) ordered the assessment notices previously issued for assessing MSPI for alleged deficiency taxes and penalty be either canceled and withdrawn or reversed and set aside; (iii) ordered CIR to cease and desist from collecting the alleged deficiency taxes and penalty as previously set out in its assessment notices; and (iv) ordered CIR to refund to MSPI the amount of Php426,000,000, which was previously withdrawn/collected by CIR during the pendency of the case and prior to the issuance of the 2015 Decision. The CIR has since submitted to the CTA a motion for reconsideration of the 2015 Decision and the motion is under consideration and has not been resolved by the CTA as at the date of this announcement.

For the alleged deficiency taxes covering the calendar year of 2018, MSPI filed administrative protests with BIR and requested for reinvestigation but the BIR failed to act on MSPI's request. During 2023, MSPI filed petition for review with CTA for BIR's assessments for alleged deficiency taxes and the case is currently under trial in 2024.

For the alleged deficiency taxes covering the calendar year of 2019, MSPI filed administrative protests with BIR and request for reinvestigation during 2023. The BIR rejected MSPI's request and MSPI received BIR's final decision on disputed assessment for the calendar year of 2019 in May 2024. MSPI filed petition for review with CTA for BIR's assessments for the calendar year of 2019 on June 2024.

Based on the advices of the independent tax and legal advisors of MSPI, the directors of the Company believe that MSPI has valid legal arguments to defend the above tax disputes. No provision has been made for the tax disputes in the condensed consolidated interim financial statements of the Group for the six months ended 31 December 2024 and 2023. However, as there is at present possible obligations (existence of which can only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of MSPI) which may or may not require an initial outflow of resources, the directors of the Company estimate that the contingent liabilities in respect of the alleged deficiency taxes of MSPI covering the calendar years of 2008, 2012, 2014, 2015, 2018 and 2019, represents the stated amounts in the disputed assessments received by MSPI in aggregate of around Php5,009,650,000 (30 June 2024: Php5,009,650,000) and possible additional penalties, surcharge or interest liability that may be assessed by BIR for the taxable years which existence can only be confirmed based on developments of the taxes disputes cases, as a possible outflow of resources.

## 8. LOSS PER SHARE

The basic and diluted loss per share attributable to the owners of the Company are calculated as follows:

	<b>For the six months ended 31 December 2024 HK\$'000 (Unaudited)</b>	For the six months ended 31 December 2023 HK\$'000 (Unaudited)
Loss attributable to the owners of the Company for the purpose of calculation of basic and diluted loss per share	<u><u>(95,024)</u></u>	<u><u>(36,131)</u></u>
	<b>For the six months ended 31 December 2024 '000 (Unaudited)</b>	For the six months ended 31 December 2023 '000 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u><u>1,369,157</u></u>	<u><u>1,369,157</u></u>
	<b>For the six months ended 31 December 2024 HK Cents (Unaudited)</b>	For the six months ended 31 December 2023 HK Cents (Unaudited)
Loss per share		
— Basic	<u><u>(6.94)</u></u>	<u><u>(2.64)</u></u>
— Diluted	<u><u>(6.94)</u></u>	<u><u>(2.64)</u></u>

For the six months ended 31 December 2024 and 2023, the computation of diluted loss per share does not assume the conversion of the Company's outstanding convertible bond since their assumed exercise would have anti-dilutive effect.

For the six months ended 31 December 2023, the computation of diluted loss per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price for shares for the period.

## 9. DIVIDENDS

The Board does not propose an interim dividend for the six months ended 31 December 2024 (six months ended 31 December 2023: nil).

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 31 December 2024, the Group acquired property, plant and equipment of approximately HK\$72,313,000 (six months ended 31 December 2023: HK\$56,059,000).

Properties amounted to approximately HK\$970,000,000 are pledged to a bank to secure the loan and general banking facilities granted to the Group (Note 16).

## 11. TRADE RECEIVABLES

	<b>31 December 2024 HK\$'000 (Unaudited)</b>	30 June 2024 HK\$'000 (Audited)
Trade receivables	34,420	1,972
Less: Provision for expected credit losses	<u>(346)</u>	<u>(574)</u>
	<b><u>34,074</u></b>	<b><u>1,398</u></b>

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on invoice date which approximate the respective revenue recognition date at the end of the reporting periods.

	<b>31 December 2024 HK\$'000 (Unaudited)</b>	30 June 2024 HK\$'000 (Audited)
0–30 days	9,879	1,025
31–60 days	8,110	–
61–90 days	7,849	23
Over 90 days	<u>8,236</u>	<u>350</u>
	<b><u>34,074</u></b>	<b><u>1,398</u></b>

The Group has a policy allowing its customers credit periods normally ranging from 0 to 90 days. The Group does not hold any collateral as security.

## 12. TAX RECOVERABLE

On 15 June 2022, the Group received a warrant of distraint and/or levy (“WDL”) from BIR which directed its collection and enforcement team to distraint and/or levy on MSPI’s properties in relation to alleged deficiency tax for calendar year of 2015 (Note 7). MSPI filed an Urgent Motion to Quash WDL (“Motion to Quash”) to Court of Tax Appeals (“CTA”) on 23 June 2022. Between July and September 2022, bank balances of approximately Php426,000,000 have been garnished by the BIR upon receipt of warrants of garnishment by certain of MSPI’s banks. MSPI filed a Motion for Reconsideration (“MR”) on 19 January 2023 in response to rejection from CTA on MSPI’s Motion to Quash dated 19 December 2022.

On 5 April 2023, MSPI received the CTA’s resolution which granted the MSPI’s MR and resolved that the WDL is being cancelled and the warrants of garnishment are lifted. Further collection by BIR or refund of garnished amount is suspended pending on judicial resolution of the case. During the period, CTA issued 2015 Decision and CIR has submitted a motion of reconsideration which is still under review by CTA. Details refer to Note 7.

Based on the advice of the independent legal adviser of MSPI, the Directors believe that MSPI has valid legal arguments to defend the tax disputes (including the alleged deficiency tax for calendar year of 2015) with right to request for refund of the garnished amounts when the judicial review complete. Alternatively, the garnished amounts would be utilized to settle tax payable if MSPI lose in the tax dispute. The amount is classified as tax recoverable with no impairment loss recognised as management consider the effect of expected credit loss is immaterial.

## 13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss include the following:

	<b>31 December 2024 HK\$’000 (Unaudited)</b>	30 June 2024 HK\$’000 (Audited)
<i>Current assets</i>		
Unlisted investment fund (Note)	<u><b>4,346</b></u>	<u>4,481</u>

*Note:*

The unlisted investment fund mainly represented approximately 48% (30 June 2024: 48%) interests in Foresight Fund III Limited Partnership (the “Foresight Fund”).

This Foresight Fund was established principally to achieve long-term capital appreciation primarily through privately-negotiated investments in companies and/or its affiliates which is/are engaged in the production and distribution of the sports events and entertainment content and sports media rights market. The Group is a limited partner in this Foresight Fund and does not have control nor significant influence in the Foresight Fund’s operational and financing decisions.



The Directors have determined the fair value of the interest in the Foresight Fund as at 31 December 2024 with reference to the valuation report issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“JLL”), an independent professional valuer who has professional qualifications and relevant experience. The fair value of the Foresight Fund is determined by NAV summation method with fair value of underlying investment determined by market approach, with references to comparable companies benchmark multiples. During the period ended 31 December 2024, the Group recognised a fair value gain of HK\$17,000 (period ended 31 December 2023: fair value loss of HK\$225,000) in the Condensed Consolidated Statement of Comprehensive Income.

#### 14. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

The average credit period on purchase of goods is 90 days.

	<b>31 December 2024 HK\$'000 (Unaudited)</b>	30 June 2024 HK\$'000 (Audited)
0–30 days	1,994	2,472
31–60 days	1,973	1,565
61–90 days	7	96
Over 90 days	52	–
	<u>4,026</u>	<u>4,133</u>

#### 15. PROMISSORY NOTES

On 29 March 2024, Fortune Growth issued 6 new promissory notes (the “2024 PNs”) to an independent third party (the “Holder”) in exchange for the matured promissory notes issued in prior years. No default for repayment of matured promissory notes before the exchange of 2024 PNs. The 2024 PNs in principal amount of HK\$73,548,504 each and totalling HK\$441,291,023 represented the principal amount and accrued interest of the matured promissory notes. The 2024 PNs carry interest which accrues on the outstanding principal amount of HK\$441,291,023 from its issue date until repayment in full of the principal amount at the fixed rate of 6% per annum. The 2024 PNs shall become due and payable in full on the business day immediately preceding the first anniversary of its issue date and is unsecured and guaranteed by the Company.

## 16. BANK BORROWINGS

	<b>31 December 2024</b>	30 June 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
<b>Non-current liabilities</b>		
Secured bank loan	<u>578,437</u>	<u>578,360</u>
<b>Current liabilities</b>		
Secured bank loan	<u>392,387</u>	–
	<u><b>970,824</b></u>	<u><b>578,360</b></u>

As at 25 September 2023, a banking facility had been granted to a subsidiary of the Company of Pph4,320,000,000 (equivalent to HK\$608,896,000), of which Pph4,320,000,000 (equivalent to approximately HK\$608,896,000) has been utilised as at 31 December 2024. Interest is charged at a PHP BVAL Reference Rate +2% per annum in respect to this banking facility.

As at 4 July 2024, a bank facility had been granted to a subsidiary of the Company of United States Dollars (“US\$”) 50,000,000 (equivalent to HK\$392,387,000), of which US\$50,000,000 (equivalent to HK\$392,387,000) has been utilised as at 31 December 2024. Interest is charged at a rate of 3.75% per annum in respect to this banking facility.

As at 31 December 2024, the bank loan and the banking facility was secured by the Group’s properties as classified under Properties, plant and equipment of approximately HK\$970,000,000 (Note 10), and certain bank balances of approximately HK\$404,000,000 of the Group, certain land use rights and condominiums of associates of the Group, together with financial guarantees provided by associates of the Group. The loan is carried at amortised cost.

At 31 December 2024, total non-current bank loans was scheduled to repay as follows:

	<b>31 December 2024</b>	30 June 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Audited)
More than one year, but not exceeding two years	<b>115,687</b>	86,754
More than two years, but not exceeding five years	<b>462,750</b>	347,016
After five years	–	<u>144,590</u>
	<u><b>578,437</b></u>	<u><b>578,360</b></u>

## 17. CAPITAL COMMITMENTS

Capital expenditure contracted for but not yet accounted for at the end of the reporting period in the financial statements is as follows:

	<b>31 December</b> <b>2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	30 June 2024 <i>HK\$'000</i> (Audited)
Property, plant and equipment	<u><b>32,758</b></u>	<u>11,342</u>

## 18. EVENT AFTER THE END OF REPORTING PERIOD

Subsequent to the end of reporting period, on 14 February 2025, New Coast Leisure, Inc. (“NCLI”), an indirect wholly owned subsidiary of the Company entered into a construction contract with a contractor, pursuant to which NCLI agreed to engage the contractor to, and the contractor agreed to, undertake the construction works at the contract price of Php1,471,680,000 (equivalent to approximately HK\$191,320,000)

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL REVIEW

The robust growth momentum in the gaming industry has continued this new financial year as the Philippine economy remains on a strong recovery path. According to the information released by PAGCOR, its revenue reached a record-high of Php112 billion in 2024, nearly a 41% increase from the Php79 billion generated in the prior year. In addition, Alejandro Tengco, Chairman and CEO of PAGCOR, announced that the Philippine gaming industry is expected to reach revenues of Php350 billion in 2024. This figure indicates a 23% increase from the 2023 GGR of Php285 billion and a 5% rise above PAGCOR's target of Php334 billion for 2024. Benefited from the sustained strong growth in Philippine gaming industry and the Group taking over the casino operation since 9 May 2024 under the Provisional License granted by PAGCOR on 27 September 2023, the Group's revenue from the gaming operation for the Period increased significantly from approximately HK\$71.0 million for Previous Period to approximately HK\$240.0 million.

Tourism industry remained resilient during the Period. The Philippines welcomed nearly 6 million international visitors from 1 January to 31 December 2024, up by 9.1% from the 5.4 million recorded in 2023. However, some of the hotel rooms of the Group were closed for renovation during the Period, the Group recorded revenue from the hotel operation for the Period of approximately HK\$27.6 million, compared to approximately HK\$34.1 million for the Previous Period. Competition in the hospitality industry in the Philippines was strong during the Period under review.

As a result, the Group's total revenue increased from approximately HK\$105.1 million for the Previous Period to approximately HK\$267.6 million for the Period.

Other income of the Group for the Period was approximately HK\$11.4 million, representing an increase of approximately 69.6%, as compared with approximately HK\$6.7 million for the Previous Period. This was mainly due to increase in interest income during the Period.

Other gains/(losses) of the Group for the Period represented net foreign exchange gain of approximately HK\$3.5 million (Previous Period: net loss of approximately HK\$12.0 million) and gain on redemption of convertible bond on maturity of approximately HK\$3.2 million (Previous Period: nil).

The Group recorded a gain of approximately HK\$17,000 on change in fair value of financial assets at fair value through profit or loss in the Period.

General and administrative expenses of the Group increased by approximately 87.2% to approximately HK\$150.6 million for the Period from approximately HK\$80.4 million in the Previous Period. This was mainly due to the increased operational costs incurred during the Period for taking over of the casino operation under the Provisional License. Included in these expenses for the Period, approximately 50.2% and 5.6% were staff costs and utilities expenses respectively. The staff costs for the Period was approximately HK\$75.6 million, representing an increase of approximately 135.3%, as compared with approximately HK\$32.1 million in the Previous Period. This was due to the recruitment of additional staff by the Group to operate and manage the casino under the Provisional License. The utilities expenses for the Period was approximately HK\$8.4 million, representing an increase of approximately 157.6%, as compared with approximately HK\$3.3 million in the Previous Period. Other major increases in general and administrative expenses included the increase in depreciation and amortisation of HK\$3.2 million, documentary stamp tax of HK\$3.1 million, and insurance of HK\$2.4 million.

Finance costs of the Group for the Period was approximately HK\$45.7 million, representing an increase of approximately 67.6% as compared to approximately HK\$27.3 million in the Previous Period. This was mainly due to the increase in interest on bank borrowings of approximately HK\$20.8 million as a bank loan of approximately HK\$392.4 million was obtained to finance the funding need for developing, operating and managing the casino by the Group under the Provisional License.

The Group recorded income tax expense of approximately HK\$6.7 million for the Period, as compared to the income tax credit of approximately HK\$0.7 million in the Previous Period.

The Group recorded a loss of approximately HK\$95.0 million for the Period as compared with a loss of approximately HK\$36.1 million for the Previous Period.

The loss per share for the Period amounted to approximately 6.94 HK cents, as compared with the loss per share of approximately 2.64 HK cents for the Previous Period.

## **BUSINESS REVIEW**

The principal activities of the Group are gaming operation, hotel operation and live events.

### **1. Gaming operation**

The “Gaming Operation” segment represents leasing of gaming venues to a tenant for authorised gaming operation and participation in the gaming operation under the Provisional Licence.

The revenue derived from the gaming operation for the Period was approximately HK\$240.0 million, representing an increase of approximately 237.9%, as compared with approximately HK\$71.0 million in the Previous Period. The increase was mainly due to the revenue being generated under the Provisional License since its commencement in May 2024. Amid the return of traveler’s mobility under lifting of pandemic measures, the performance in the segment has shown a significant recovery since then. It contributed approximately 89.7% of the Group’s revenue during the Period under review (the Previous Period: 67.6%).

At 31 December 2024 and 31 December 2023, there were tax disputes between MSPI, an indirect wholly-owned subsidiary of the Company and BIR in the Philippines. Please refer to Note 7 to the condensed consolidated interim financial statements in this announcement for more details and estimated contingent liabilities.

### **2. Hotel operation**

The revenue derived from the hotel operation mainly includes room revenue, revenue from food and beverages and other hotel service income. The hotel of the Group is located in Manila City which is a tourist spot with churches and historical sites as well as various night spots catered for tourists and is one of the major tourist destinations in the Philippines.

The revenue derived from the hotel operation for the Period was approximately HK\$27.6 million, compared to approximately HK\$34.1 million in the Previous Period. Competition in the hospitality industry in the Philippines was strong during the Period. Included in the total hotel revenue for the Period was approximately HK\$19.3 million or 69.8% contributed by room revenue (Previous Period: HK\$23.6 million or 69.2%). The average hotel room occupancy was 84% (the Previous Period: 85%) in the Period.

### **3. Live events**

The revenue represented income from sponsorship and entrance fee of live poker events. However, there was no live poker event during the Period.

## FUTURE OUTLOOK

The Philippines is increasingly recognized as a premier destination for international tourists. Based on the Department of Tourism report for January to December 2024, international tourist arrivals to the Philippines have tallied nearly 6 million, where foreign tourist accounted for approximately 91.4%. The total international visitors in 2024 was higher by 9.15% when compared to that in 2023.

As disclosed in the announcements of the Company dated 27 September 2023 and 9 May 2024, the Group was granted by PAGCOR the Provisional License to establish and operate the casino (the “**Casino**”) and pursuant to the Provisional License, the Group is required to make the total investment commitment of no less than US\$1.0 billion (equivalent to approximately HK\$7.82 billion) and up to US\$1.2 billion (equivalent to approximately HK\$9.38 billion) for the establishment and operation of the Casino and a hotel of the Group in Manila City (the “**Hotel**”). Operation of the Casino has commenced in May 2024.

To undertake the casino and gaming operations, the Group has planned to carry out a series of renovation work at the hotel with a view to maintaining the Hotel in good service and condition, and upgrading infrastructures and facilities of the Hotel to complement the operation of the Casino. The Board considers that the implementation of the construction works will improve the appearance and condition of hotel facilities, modernize outdated amenities, enhance overall quality of the Hotel and promote premium customers experiences at both the casino and hotel. In the long-term increasing occupancy rates of the hotel and attracting spending activities from visitors at the casino and hotel. Moreover, the renovation work will create additional gaming space on the ground floor of the Casino, as a result, the maximum number of gaming tables in the casino will increase from the current number of approximately 80 to over 110, and the maximum number of slot machines in the casino will increase from the current number of approximately 500 to over 920. The Company is optimistic that the enlargement in gaming capacity of the Casino will improve the future revenue of the Casino.

Further, having considered the entering into of the construction contract is in line with the Group’s business strategies, and the terms of the construction contract are reached after the Group’s standard tender process with reference to various factors, including but not limited to prevailing market rates of similar construction works, the Board is of the view that the terms of the construction contract are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Regarding the future development of an integrated resort, the Board will consider different financing methods such as bank borrowing, debt financing and/or equity financing (as the case may be) in order to expand our business and maintain the liquidity of the Group.

However, challenges such as geopolitical tensions may have an impact on the pace of recovery of global economy. The Group remains cautiously optimistic about the outlook for tourism and gaming industry in the Philippines. The Group will continue to focus on its business operations and investments in the Philippines riding on business environment to strive for exploring potential business opportunities.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

As at 31 December 2024, the Group's net current liabilities amounted to approximately HK\$114.0 million (as at 30 June 2024: net current assets of approximately HK\$16.2 million). Current assets amounted to approximately HK\$855.0 million (as at 30 June 2024: HK\$616.8 million), of which approximately HK\$682.7 million (as at 30 June 2024: HK\$417.5 million) was bank balances and cash.

As at 31 December 2024, the Group had current liabilities amounted to approximately HK\$969.0 million (as at 30 June 2024: HK\$600.6 million), of which approximately HK\$448.1 million (as at 30 June 2024: HK\$441.3 million) was promissory notes and approximately HK\$392.4 million (as at 30 June 2024: nil) was a bank loan. The bank loan was obtained during the Period to finance the funding need for developing, operating and managing of the casino by the Group under the Provisional License.

The bank balances and cash of the Group as at 31 December 2024 was mainly denominated in Php, HK\$ and US\$.

Net cash used in operating activities of the Group was approximately HK\$46.5 million for the Period (the Previous Period: generated from approximately HK\$18.3 million). Net assets attributable to the owners of the Company as at 31 December 2024 amounted to approximately HK\$922.0 million (as at 30 June 2024: approximately HK\$1,016.8 million).



## **Change in use of proceeds**

On 27 July 2017, the Company entered into a placing agreement with a placing agent (the “**Placing Agreement**”). The completion of the placing took place on 10 August 2017. Pursuant to the terms and conditions of the Placing Agreement, an aggregate of 190,000,000 ordinary shares of the Company of HK\$1.00 each as placing shares were successfully placed by the placing agent at the placing price of HK\$1.90 per placing share. Further details are set out in the announcements of the Company dated 27 July 2017 and 10 August 2017. The net proceeds from the placing, after deducting the placing commission and other related expenses payable by the Company, were approximately HK\$358.5 million. The net proceeds from the placing were intended to be used as to (i) approximately HK\$150.0 million for the renovation of the Hotel; (ii) approximately HK\$100.0 million for the development of the parcels of land adjacent to the Hotel (the “**New Hotel Land**”), including but not limited to the construction of a carpark and amenities of the Hotel, and the provision of a facility to an independent third party for the acquisition of the New Hotel Land; (iii) approximately HK\$70.0 million for the potential acquisition of, including but not limited to, lands in the Philippines for the construction of hotel(s) and/or casino(s); and (iv) the remaining proceeds for the general working capital of the Group.

Referring to the Company’s announcement dated 14 February 2025 in relation to a construction contract (the “**Construction Contract**”) and change in use of proceeds, in light of the grant of the Provisional License to the Group, the Group has the need to carry out upgrading renovation and construction works by entering into the Construction Contract, and the Group is required to make a significant total investment commitment in the amount of no less than US\$1.0 billion and up to US\$1.2 billion pursuant to the Provisional Licence, the Board has resolved to reallocate all unutilised net proceeds of the Placing Agreement in the amount of approximately HK\$117.4 million for contribution to the contract price payment of the Construction Contract and expected to fully utilise by the end of 2025.

Set forth below is a summary of the utilization of the net proceeds as at 31 December 2024:

	Intended use of the net proceeds (HK\$ million)	Amount of the net proceeds utilised as at 31 December 2024 (HK\$ million)	Balance of the net proceeds unutilised as at 31 December 2024 (HK\$ million)	Revised allocation of the net proceeds as disclosed in the announcement of the Company dated 14 February 2025 (HK\$ million)	Expected timeline for the application of the balance of the net proceeds
Renovation of the Hotel	150.0	150.0	-	-	
Development of the New Hotel Land, including but not limited to the construction of a carpark and amenities of the Hotel, and the provision of a facility to an independent third party for the acquisition of the New Hotel Land (Note 1)	100.0	52.6	47.4	-	
Potential acquisition (the “ <b>Potential Acquisition</b> ”) of, including but not limited to, lands in the Philippines for the construction of hotel(s) and/or casino(s)	70.0	-	70.0	-	
General working capital of the Group	38.5	38.5	-	-	
Contribution to the contract price payment under the construction service agreement dated 14 February 2025 (Note 2)	-	-	-	117.4	By end of 2025
Total	<u>358.5</u>	<u>241.1</u>	<u>117.4</u>	<u>117.4</u>	

*Notes:*

1. The HK\$52.6 million utilised comprised HK\$51.9 million loan to Harbor View Properties and Holdings, Inc. for the acquisition of the New Hotel Land and HK\$0.7 million for the payment of the design and consultancy services fees for the development of the New Hotel Land. Priority will be given to the development of the new lands to be acquired in the Potential Acquisition before the development of the New Hotel Land.
2. The aggregate contract price of Php1,471.68 million (equivalent to approximately HK\$191.32 million) payable by NCLI under the construction service agreement dated 14 February 2025 entered into between NCLI and the contractor in respect of the phase 1 renovation and construction works at the hotel to be carried out by the contractor pursuant to the construction contract (please refer to announcement dated 14 February 2025 for details).

A bank loan of approximately HK\$392.4 million was obtained during the Period for the establishment and operation of a casino and the development of an integrated resort by the Group under the Provisional License. Interest is charged at 3.75% per annum.

The Group does not currently hedge its interest rate exposure, although it may consider doing so in the future.

For further details of our indebtedness, see Notes 15 and 16 to the condensed consolidated interim financial statements in this announcement, which includes information regarding the type of debt facilities used, the maturity profile of debt and the currency and interest rate structure.

The Group monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital (not applicable under net cash position). Net cash or debt is calculated as total borrowings representing outstanding promissory notes, outstanding bank borrowing and outstanding convertible bond as shown in the consolidated statement of financial position less cash and bank balances. Total capital is calculated as total equity as shown in the consolidated statement of financial position. The gearing ratio as at 31 December 2024 was approximately 79.9% (as at 30 June 2024: 64.7%).

During the Period, the Group financed its operations including but not limited to internally generated cash flows and bank loans.

## **COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS**

Save as otherwise mentioned in this announcement, during the Period, there was no incidence of non-compliance with the relevant laws and regulations of the places in which the Group operates that has a significant impact on the business operations of the Group.

## **CONTINGENT LIABILITIES**

Save as disclosed in Note 7 to the condensed consolidated interim financial statements in this announcement, the Group had no other material contingent liabilities as at 31 December 2024.

## **CHARGES ON GROUP ASSETS**

As at 31 December 2024, the bank loan and the banking facility was secured by the Group's properties as classified under Properties, plant and equipment of approximately HK\$970 million, certain bank balances of approximately HK\$404 million of the Group, certain land use rights and condominiums of associates of the Group, together with financial guarantees provided by associates of the Group.

## **MATERIAL ACQUISITIONS AND DISPOSALS AND SIGNIFICANT INVESTMENTS**

On 14 February 2025, a construction service agreement being entered into between NCLI and the contractor in respect of the phase 1 renovation and construction works at the hotel to be carried out by the contractor pursuant to the construction contract with an aggregate contract price of Php1,471.68 million (equivalent to approximately HK\$191.32 million) (please refer to the announcement dated 14 February 2025 for details).

On 27 September 2023, the Group entered into a Provisional License Agreement pursuant to which PAGCOR has granted the Provisional License to the Group's companies to establish and operate a casino and the development of an integrated resort in the City of Manila, the Philippines. The effectivity or term of the Provisional License and the Regular Casino Gaming License shall be co-terminus with the franchise of PAGCOR which shall be effective from the date of the Provisional License Agreement until 11 July 2033. Pursuant to the Provisional License Agreement, the Group will make the total investment commitment of no less than US\$1.0 billion (equivalent to approximately HK\$7.82 billion) and up to US\$1.2 billion (equivalent to approximately HK\$9.38 billion) for the project under the Provisional License. The total investment commitment comprises land acquisition costs, costs related to securing development rights, construction, equipment, development costs, financing costs and all other expenses directly related to the completion of the project. Details of the terms of Provisional License Agreement are set out in the announcement of the Company dated 27 September 2023.

Save as disclosed above, there was no other acquisition or disposal of subsidiary and associated company or significant investments of the Group, which would have been required to be disclosed under the Listing Rules for the Period.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

The Group will continue to explore the market and identify any business opportunities including a renovation plan to improve the properties of the Group and leasing premises which may provide its growth and development potential, enhance the profitability, and strive for better return to the Shareholders.

## **RISKS AND UNCERTAINTIES**

### **Our casino and hotel face intense competition in the market**

The Group continues to face significant risks and uncertainties from the competition in the market that the Group operates, as well as new competitors which may increase in the future.

## **Our business is sensitive to economic uncertainty and regulatory risk in the effect of change in laws and regulations**

The Group is sensitive to the economic downturns, political and social conditions. The changes in the relevant laws and regulations in the places that the Group operates might affect the gaming operation of the Group.

In addition, uncertainties exist with regard to the tax disputes between a subsidiary of the Company operating in the Philippines and the BIR.

## **EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES**

The functional currency of the Company is Php, the currency of the primary economic environment in which the Company's major subsidiaries operate. The condensed consolidated interim financial statements of the Group is presented in HK\$ as the Directors consider that it is an appropriate presentation for a company listed in Hong Kong and for the convenience of the Shareholders.

The Group's assets and liabilities are mainly denominated in HK\$, US\$, Php and EURO. The Group primarily earns its revenue and income in HK\$, US\$ and Php while the Group primarily incurs costs and expenses mainly in HK\$ and Php. Therefore, the Group may be exposed to currency risk.

The Group has not implemented any foreign currency hedging policy. However, the management of the Group will monitor foreign currency exposure for each business segment and review the needs of individual geographical area, and consider appropriate hedging policy in future when necessary.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## **INTERIM DIVIDEND**

The Board does not recommend the payment of any interim dividend for the Period (Previous Period: nil).

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance practices and procedures and to complying with the statutory and regulatory requirements with an aim to maximising the shareholders' values and interests as well as to enhancing the stakeholders' transparency and accountability.

Throughout the Period, the Company has complied with all the applicable code provisions under the Corporate Governance Code (the “**CG Code**”) as contained in Appendix C1 of the Listing Rules, with the exception of code provision C.2.1.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separated and should not be performed by the same individual.

Mr. Ho Wong Meng (“**Mr. Ho**”) who serves as executive Director and the chief executive officer of the Company (the “**Chief Executive Officer**”), has been appointed as the chairman of the Board (the “**Chairman**”) with effect from 1 April 2022. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership, allows for effective and efficient planning and implementation of business decisions and strategies, and is beneficial to the business prospects and management of the Group. Although Mr. Ho performs both the roles of Chairman and Chief Executive Officer, the division of responsibilities between the Chairman and Chief Executive Officer is clearly established. These two roles are performed by Mr. Ho distinctly.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix C3 (the “**Model Code**”) of the Listing Rules as its own code of conduct regarding the securities transactions of the Directors. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standards set out in the Model Code throughout the Period.

## **REVIEW BY AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference in compliance with the Listing Rules, in accordance with provisions set out in the CG Code which are available on the websites of the Stock Exchange and the Company.

The Audit Committee currently consist of all three independent non-executive Directors, namely Mr. Cheng Hong Wai (Chairman of the Audit Committee), Mr. Lau Ka Ho and Ms. Danica Ramos Lumawig. The chairman of the Audit Committee is Mr. Cheng Hong Wai, who has appropriate professional qualifications and experience in accounting matters.

The Audit Committee has reviewed the unaudited condensed consolidated interim financial statements of the Group for the Period and was of the opinion that such statements had been prepared in compliance with the applicable accounting standards and the Listing Rules.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

The results announcement has been published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and that of the Company ([www.ientcorp.com](http://www.ientcorp.com)). The interim report of the Company for the Period containing all information as required by the Listing Rules will be despatched to the Shareholders and will be available on the websites of the Stock Exchange and the Company in due course.

By order of the Board  
**International Entertainment Corporation**  
**Ho Wong Meng**  
*Chairman, Chief Executive Officer and  
Executive Director*

Hong Kong, 27 February 2025

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ho Wong Meng and Mr. Aurelio Jr. Dizon Tablante, and three independent non-executive Directors, namely Mr. Lau Ka Ho, Mr. Cheng Hong Wai and Ms. Danica Ramos Lumawig.*